

RUSH TOWNSHIP
(SHIAWASSEE COUNTY)

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name RUSH TOWNSHIP	County SHIAWASSEE
Audit Date 3/31/05	Opinion Date 8/25/05	Date Accountant Report Submitted to State: 9/15/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) DEMIS AND WENZLICK, P.C.			
Street Address 217 N WASHINGTON STREET, SUITE 201		City OWOSSO	State MI
Accountant Signature <i>[Signature]</i>		ZIP 48867	
		Date 9/15/05	

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DEMIS and WENZLICK, P.C.

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INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Rush Township
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of Rush Township, Shiawassee County, Michigan, as of and for the year ended March 31, 2005. These general-purpose financial statements are the responsibility of Rush Township management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with audit standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Rush Township, Shiawassee County, Michigan, as of March 31, 2005 and the results of its operations for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of Rush Township. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of August 25, 2005.

Dennis and Wengert, P.C.

Certified Public Accountants

Owosso, Michigan
August 25, 2005

RUSH TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2005

	<u>Government Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>
	General	Special Revenue	Enterprise	Trust and Agency	General Fixed Assets
ASSETS:					
Cash & Cash Equivalents	\$ 106,900	\$ 87,855	\$ 98,542	\$ 7,203	\$
Assessment Receivable - Current			10,175		
Operations & Maintenance Receivable			561		
Interest Receivable			3,349		
Due from Other Funds	7,203				
Due from Other Gov't Units	3,012	4,193			
Prepaid Insurance	5,000				
Assessment Receivable - Long-Term			137,691		
Fixed Assets					60,413
Sewer System Assets (Net of Accum. Deprec.)			461,427		
Total Assets	\$ <u>122,115</u>	\$ <u>92,048</u>	\$ <u>711,745</u>	\$ <u>7,203</u>	\$ <u>60,413</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
COMBINED BALANCE SHEET (CONTINUED)
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2005

	<u>Government Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>
	General	Special Revenue	Enterprise	Trust and Agency	General Fixed Assets
LIABILITIES:					
Accounts Payable	\$ 2,597	\$	\$ 167	\$	\$
Accrued Interest Payable			6,486		
Due to Other Funds				7,203	
Due to Other Gov't Units					
Current Maturity on Long-Term Debt			10,000		
Revenue Bonds Payable			225,000		
Total Liabilities	\$ 2,597	\$ 0	\$ 241,653	\$ 7,203	\$ 0
FUND EQUITY:					
Contributed Capital			534,199		
Accumulated Amortization			(64,107)		
Investment in General Fixed Assets					60,413
Ret. Earnings- Unreserved			0		
Fund Balance	119,518	92,048			
Total Fund Equity	\$ 119,518	\$ 92,048	\$ 470,092	\$ 0	\$ 60,413
Total Liabilities & Fund Equity	\$ 122,115	\$ 92,048	\$ 711,745	\$ 7,203	\$ 60,413

The accompanying notes are an integral
part of the financial statements.

RUSH TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2005

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
REVENUES:		
Taxes	\$ 41,524	\$ 57,129
Intergovernmental	107,393	-0-
Miscellaneous	<u>6,343</u>	<u>585</u>
TOTAL REVENUES	\$155,260	\$ 57,714
EXPENDITURES:		
Township Board	\$ 5,870	\$
Supervisor	6,000	
Elections	2,015	
Clerk	6,158	
Board of Review	1,069	
Treasurer	8,845	
Township Hall	2,325	
Assessor	10,389	
Attorney and Accountant	3,850	
Planning	225	
Fire and Ambulance	47,575	
Cemetery	7,405	
Street Lights	4,020	
Roads	81,077	
Insurance and Bonds	5,131	
Payroll Taxes	2,177	
Drains at Large	<u>538</u>	
TOTAL EXPENDITURES	\$194,669	\$ -0-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (39,409)	\$ 57,714
OTHER FINANCING SOURCES (USES):		
Transfer In	\$ 47,575	\$ -0-
Transfer Out	<u>-0-</u>	<u>(47,575)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>47,575</u>	\$ <u>(47,575)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 8,166	\$ 10,139
Fund Balance at April 1, 2004	<u>111,352</u>	<u>81,909</u>
FUND BALANCE AT MARCH 31, 2005	\$ <u>119,518</u>	\$ <u>92,048</u>

The accompanying notes are an integral
part of the financial statements.

RUSH TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES.
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED MARCH 31, 2005

GENERAL FUND

SPECIAL REVENUE FUND TYPES

			ACTUAL (OVER) UNDER BUDGET			ACTUAL (OVER) UNDER BUDGET
REVENUES:	BUDGET	ACTUAL		BUDGET	ACTUAL	
Property Taxes	\$ 38,700	\$ 41,524	\$ (2,824)	\$ 48,000	\$ 57,129	\$ (9,129)
State Shared Revenues	108,800	107,393	1,407	0	0	0
Miscellaneous	14,100	6,343	7,757	0	585	(585)
TOTAL REVENUES	\$ 161,600	\$ 155,260	\$ 6,340	\$ 48,000	\$ 57,714	\$ (9,714)
EXPENDITURES:						
Township Board	\$ 7,210	\$ 5,870	\$ 1,340	\$	\$	\$
Supervisor	6,000	6,000	0			
Elections	2,200	2,015	185			
Clerk	6,200	6,158	42			
Board of Review	1,200	1,069	131			
Treasurer	9,290	8,845	445			
Township Hall	2,200	2,325	(125)			
Assessor	10,000	10,389	(389)			
Planning Comm.	500	225	275			
Cemetery	9,825	7,405	2,420			
Attorney & Accountant	4,000	3,850	150			
Fire & Ambulance	48,000	47,575	425			
Street Lights	4,100	4,020	80			
Roads	90,000	81,077	8,923			
Insurance & Bonds	5,800	5,131	669			
Payroll Taxes	5,475	2,177	3,298			
Drains At Large	2,000	538	1,462			
TOTAL EXPENDITURES	\$ 214,000	\$ 194,669	\$ 19,331	\$ 0	\$ 0	\$ 0
REVENUES OVER (UNDER) EXPENDITURES	\$ (52,400)	\$ (39,409)	\$ (12,991)	\$ 48,000	\$ 57,714	\$ (9,714)
OTHER FINANCING SOURCES (USES):						
Transfer In	\$ 48,000	\$ 47,575	\$ 425	\$ 0	\$ 0	\$ 0
Transfer (Out)	0	0	0	(48,000)	(47,575)	(425)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (4,400)	\$ 8,166	\$ (12,566)	\$ 0	\$ 10,139	\$ (10,139)
Fund Balance, April 1, 2004		111,352			81,909	
Fund Balance, March 31, 2005		\$ 119,518			\$ 92,048	

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED MARCH 31, 2005

	<u>ENTERPRISE</u>
REVENUES:	
Sewer Revenues	\$ 4,259
Penalties	959
Interest on Sewer Assessments	15,242
Investment Interest	<u>482</u>
TOTAL REVENUES	\$ 20,942
EXPENDITURES:	
Operation	\$ 1,668
Maintenance & Miscellaneous	3,777
Agent Fees	350
Interest	15,483
Depreciation	<u>6,992</u>
	\$ <u>28,270</u>
NET INCOME (LOSS)	\$ (7,328)
Current Year Amortization of Contribution in Aid of Construction - Assessment	\$ 4,269
Contribution in Aid of Construction - State	2,854
Retained Earnings, April 1, 2004	<u>205</u>
RETAINED EARNINGS, MARCH 31, 2005	<u><u>\$ -0-</u></u>

The accompanying notes are an integral
 part of the financial statements.

RUSH TOWNSHIP
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2005

ENTERPRISE

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income (Loss) \$ (7,328)

ADJUSTMENTS FROM OPERATING ACTIVITIES:

Depreciation \$ 6,992
(Increase) Decrease in Accrued Int. Rec. (720)
(Increase) Decrease in Sewer Receivables 12,899
(Decrease) Increase in Accrued Int. Payable (151)
(Decrease) Increase in Accounts Payable (297)

NET CASH FLOWS FROM OPERATING ACTIVITIES \$ 11,395

CASH FLOW FROM FINANCING ACTIVITIES:

Principal Payments \$ (5,000)

NET INCREASE (DECREASE) IN CASH AND
CASH EQUIVALENTS

\$ 6,395

Cash and Cash Equivalents, April 1, 2004

92,147

CASH AND CASH EQUIVALENTS, MARCH 31, 2005

\$ 98,542

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of cash flows, the Township considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2005

	<u>BALANCE</u> <u>3-31-04</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>3-31-05</u>
<u>CURRENT TAX COLLECTION FUND</u>				
ASSETS				
Cash	\$ <u>25,322</u>	\$ <u>855,227</u>	\$ <u>873,346</u>	\$ <u>7,203</u>
	\$ <u>25,322</u>	\$ <u>855,227</u>	\$ <u>873,346</u>	\$ <u>7,203</u>
LIABILITIES				
Due to Other Funds	\$13,232	\$105,886	\$111,915	\$ 7,203
Due to Other Taxing Entities	<u>12,090</u>	<u>749,341</u>	<u>761,431</u>	<u>-0-</u>
	\$ <u>25,322</u>	\$ <u>855,227</u>	\$ <u>873,346</u>	\$ <u>7,203</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
SCHEDULE OF BONDED DEBT - 1996
SHIAWASSEE COUNTY SEWAGE DISPOSAL
GENERAL OBLIGATION BOND ISSUE
MARCH 31, 2005

Purpose of Issue: Acquisition of Sanitary Sewage System

Method of Payment: Revenue from Debt of Taxpayers

Date of Issue: April 1, 1996

Interest Rate: Varies

TOTAL

Amount Authorized and Sold \$270,000
Bonds Outstanding March 31, 2005 \$235,000

<u>DUE DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
05-01-05	\$ 10,000	\$ 7,731
11-01-05		7,387
05-01-06	10,000	7,387
11-01-06		7,044
05-01-07	10,000	7,044
11-01-07		6,700
05-01-08	10,000	6,700
11-01-08		6,356
05-01-09	10,000	6,356
05-01-09		6,013
2010-2014	60,000	51,350
2015-2019	85,000	27,788
2020-2021	40,000	2,600

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Rush Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund type and broad fund categories as follows:

GOVERNMENT FUNDS

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS

Tax Collection Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agency for individuals, private organization, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives range from 5 to 75 years.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include; (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CASH AND INVESTMENTS

Cash includes amount in demand deposits, money market accounts and certificates of deposit. These are stated at cost, which equals market value.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions occur between individual funds for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond March 31, 2005, are recorded as prepaid items.

FUND EQUITY

The proprietary fund's contributed capital represents capital contribution from customers for the construction of a community sewage disposal system. This system is to meet Michigan Department of Public Health Standards.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

The Township does not compensate employees for vacation time, sick time or any other absences.

POST-RETIREMENT HEALTH CARE BENEFITS

The Township does not provide a post-retirement health care benefits.

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expense in the reimbursing fund as reduction of expenditures/expense in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through board approval.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Funds.
6. Budgets for the general, special revenue, capital projects funds and the discretely presented component unit are adopted on a basis consist with generally accepted accounting principles (GAAP).

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE B - REPORTING ENTITY

For financial reporting purposes, in conformance with NCGA Statement No. 3, Defining the Governmental Reporting Entity, Rush Township includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent on the Township's executive or legislative branches (the Township Supervisor or the Board respectively). Control by or dependence on the Township was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township.

NOTE C - INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables are as follows:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>FUND</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$7,203	Tax Fund	\$7,203

NOTE D - PROPERTY TAXES RECEIVABLE

The delinquent real property taxes of the Township are purchased by the County of Shiawassee. The county intends to sell tax notes, the proceeds of which will be used to pay the Township for these property taxes. It is anticipated this will take place in May, 2005. These taxes have been recorded as revenue for the current year.

Taxes levied on December 1, are payable on February 14. The Township bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE E - CASH, CASH EQUIVALENTS AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

- a. Bonds, securities and other obligations of the United States or any agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE E - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

As of March 31, 2005, the carrying amounts and the bank balances for each type of bank accounts are as follows:

	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>
Checking	\$ 34,641	\$ 34,606
Savings	179,512	179,512
Certificates of Deposit	<u>86,347</u>	<u>86,347</u>
	<u>\$300,500</u>	<u>\$300,465</u>

Deposit of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. As of March 31, 2005, the Township accounts were insured by the FDIC for \$220,989 and the amount of \$79,511 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Township held as cash and cash equivalents increases significantly. As a result, the amount of the uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year end.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE F - FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>DESCRIPTION</u>	<u>BALANCE</u> <u>3-31-04</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-05</u>
Land & Bldg.	\$47,892	\$ -0-	\$ -0-	\$47,892
Equipment & Improvements	<u>14,880</u>	<u>420</u>	<u>2,779</u>	<u>12,521</u>
	<u>\$62,772</u>	<u>\$ 420</u>	<u>\$2,779</u>	<u>\$60,413</u>

A summary of proprietary fund type property, plant and equipment at March 31, 2005, follows:

Sewer System	\$524,349
Less: Accumulated Depreciation	<u>62,922</u>
NET	<u>\$461,427</u>

Depreciation expense for the year ended March 31, 2005 was \$6,992 for Sewer Fund.

NOTE G - CONTRIBUTED CAPITAL

The changes in the township's contributed capital accounts for the proprietary funds were as follows:

<u>ENTERPRISES</u>	
<u>HENDERSON SEWAGE</u> <u>DISPOSAL SYSTEM</u>	
Beginning Balance - Contributed Capital	
Assessment	\$285,997
Contributed Capital - State	191,218
Less: Current Year Amortization - Assessment	4,269
Current Year Amortization - State	<u>2,854</u>
Ending Balance - Contributed Capital	<u>\$470,092</u>

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE H - INTERFUND OPERATING TRANSFERS

	<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>
General Fund	\$47,575	\$ -0-
Fire and Ambulance Fund	<u>-0-</u>	<u>47,575</u>
	<u>\$47,575</u>	<u>\$47,575</u>

NOTE I - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2005, the township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

	<u>TOTAL APPROPRIATION</u>	<u>AMOUNT OF EXPENDITURE</u>	<u>BUDGET VARIANCE</u>
<u>GENERAL FUND</u>			
Township Hall	\$ 2,200	\$ 2,325	\$ 125
Assessor	10,000	10,389	389

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE J - SEWER FUND

On April 1, 1996, the Township of Rush entered into a contract with Shiawassee County whereby the county agreed to finance the cost of acquisition of sanitary sewage system for the township. Pursuant to this agreement, Shiawassee County issued \$270,000 of its bonds. As of March 31, 2005, \$235,000 of these bonds were outstanding. The bonds are payable primarily from monies derived from payments to be made by the township to the county in accordance with the terms of the contract.

The contribution in aid of construction is amortized by the same method and over the same life as the assets are depreciated.

Annual debt service requirements to maturity (principal only) are as follows:

<u>FISCAL YEAR</u> <u>ENDING 3-31-05</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
2005	\$ 10,000
2006	10,000
2007	10,000
2008	10,000
2009	10,000
2010 - 2014	60,000
2015 - 2019	85,000
2020 - 2021	<u>40,000</u>
	<u>\$235,000</u>

NOTE K - SHIAWASSEE COUNTRY DRAIN COMMISSION

The Shiawassee County Drain Commission handled the bonding, receiving the bond money and disbursement of expenditures. As of March 31, 2005, there is a negative balance of \$(5,231.66) in escrow. Rush Township believes that they do not owe the Drain Commission. At this time, this negative escrow is not recorded on the financial statements.

OTHER FINANCIAL INFORMATION

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

RUSH TOWNSHIP
GENERAL FUND
BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash in Bank	\$106,900	\$ 98,561
Due from Other Funds	7,203	7,409
Due from Other Gov't. Units	3,012	2,292
Prepaid Insurance	<u>5,000</u>	<u>4,676</u>
	<u>\$122,115</u>	<u>\$112,938</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 1,511	\$ 483
Payroll Tax Payable	<u>1,086</u>	<u>1,103</u>
	\$ 2,597	\$ 1,586
 Fund Balance	 <u>119,518</u>	 <u>111,352</u>
	<u>\$122,115</u>	<u>\$112,938</u>

The accompanying notes are an integral
part of the financial statements.

RUSH TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>		<u>2004</u>	
	AMENDED <u>BUDGET</u>	ACTUAL	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Taxes:				
Current Property Taxes	\$	\$ 31,981	\$	\$ 30,837
Penalties		563		211
Collection Fees		8,980		8,179
TOTAL TAXES	\$ 38,700	\$ 41,524	\$ (2,824)	\$ 39,227
Intergovernmental:				
State of Michigan:				
Shared Revenues	\$	\$107,393	\$	\$110,579
TOTAL INTERGOV'T.	\$108,800	\$107,393	\$ 1,407	\$110,579
Miscellaneous:				
Cable Fees	\$ 3,000	\$ 2,778	\$ 222	\$ 2,748
Internments	3,000	950	2,050	4,250
Cemetery Lot Sales	4,500	2,200	2,300	3,034
Interest Income	600	415	185	651
Misc. Income	3,000	-0-	3,000	77
TOTAL MISCELLANEOUS	\$ 14,100	\$ 6,343	\$ 7,757	\$ 10,760
TOTAL REVENUES	\$161,600	\$155,260	\$ 6,340	\$160,566
EXPENDITURES:				
General Government:				
Twp. Board:				
Salaries-Trustees	\$	\$ 1,440	\$	\$ 1,440
Dues		698		681
Seminars		70		-0-
Office Wages		2,760		3,172
Capital Outlay		420		-0-
Printing Supplies & Miscellaneous		482		624
	\$ 7,210	\$ 5,870	\$ 1,340	\$ 5,917
Supervisor:				
Salaries	\$	\$ 6,000	\$	\$ 6,000
	\$ 6,000	\$ 6,000	\$ -0-	\$ 6,000
Elections:				
Wages	\$	\$ 1,285	\$	\$ -0-
Supplies & Misc.		730		83
	\$ 2,200	\$ 2,015	\$ 185	\$ 83

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

		<u>2005</u>		<u>2004</u>
	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES:				
General Government:				
Clerk:				
Salaries	\$	\$ 6,148	\$	\$ 6,124
Office Supplies &				
Miscellaneous		<u>10</u>		<u>130</u>
	\$ <u>6,200</u>	\$ 6,158	\$ <u>42</u>	\$ 6,254
Board of Review:				
Salaries	\$	\$ 825	\$	\$ 900
Publications, Supp.				
& Misc.		<u>244</u>		<u>36</u>
	\$ <u>1,200</u>	\$ 1,069	\$ <u>131</u>	\$ 936
Treasurer:				
Salaries	\$	\$ 8,170	\$	\$ 7,696
Office Supplies &				
Misc.		<u>675</u>		<u>2,982</u>
	\$ <u>9,290</u>	\$ 8,845	\$ <u>445</u>	\$ 10,678
Township Hall:				
Utilities	\$	\$ 2,143	\$	\$ 2,073
Repairs & Maint.		<u>182</u>		<u>323</u>
	\$ <u>2,200</u>	\$ 2,325	\$ <u>(125)</u>	\$ 2,396
Assessor:				
Professional Serv.	\$	\$ 9,683	\$	\$ 9,600
Supplies		<u>706</u>		<u>476</u>
	\$ <u>10,000</u>	\$ 10,389	\$ <u>(389)</u>	\$ 10,065
Planning:				
Salaries	\$	\$ <u>225</u>	\$	\$ <u>125</u>
	\$ <u>500</u>	\$ 225	\$ <u>275</u>	\$ 125

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

		<u>2005</u>		<u>2004</u>
	<u>AMENDED</u>		<u>ACTUAL</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(OVER)</u>	<u>ACTUAL</u>
			<u>UNDER</u>	
			<u>BUDGET</u>	
EXPENDITURES:				
Cemetery:				
Wages	\$	\$ 6,910	\$	\$ 8,330
Supplies & Misc.		495		1,273
	\$ 9,825	\$ 7,405	\$ 2,420	\$ 9,603
General Government:				
Atty & Accountant	\$ 4,000	\$ 3,850	\$ 150	\$ 3,550
Fire & Ambulance	48,000	47,575	425	46,343
Street Lights	4,100	4,020	80	3,992
Roads	90,000	81,077	8,923	106,239
Insurance & Bonds	5,800	5,131	669	4,462
Payroll Taxes	5,475	2,177	3,298	2,197
Drains at Large	2,000	538	1,462	1,667
TOTAL EXPENDITURES	\$214,000	\$194,669	\$ 19,331	\$220,507
EXCESS OF REVENUES				
OVER (UNDER)				
EXPENDITURES	\$ (52,400)	\$ (39,409)	\$ (12,991)	\$ (59,941)
OTHER FINANCING SOURCES				
(USES):				
Transfer In	\$ 48,000	\$ 47,575	\$ 425	\$ 46,343
EXCESS OF REVENUES				
AND OTHER FINANCING				
SOURCES OVER (UNDER)				
EXPENDITURES AND				
OTHER FINANCING				
USES	\$ (4,400)	\$ 8,166	\$ (12,566)	\$ (13,598)
Fund Balance, April 1, 2004		111,352		124,950
FUND BALANCE, MARCH 31, 2005		\$119,518		\$111,352

The accompanying notes are an integral
part of the financial statements.

RUSH TOWNSHIP
FIRE AND AMBULANCE FUND
BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash in Bank	\$87,855	\$72,844
Due from Other Funds	-0-	5,823
Due from Other Governmental Units	<u>4,193</u>	<u>3,242</u>
	<u>\$92,048</u>	<u>\$81,909</u>
 FUND BALANCE	 <u>\$92,048</u>	 <u>\$81,909</u>

The accompanying notes are an integral
part of the financial statements.

RUSH TOWNSHIP
FIRE AND AMBULANCE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

		<u>2005</u>		<u>2004</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER BUDGET	<u>ACTUAL</u>
REVENUES:				
Property Taxes	\$48,000	\$ 57,129	\$ (9,129)	\$ 55,165
Interest Earned	<u>-0-</u>	<u>585</u>	<u>(585)</u>	<u>504</u>
TOTAL REVENUES	\$48,000	\$ 57,714	\$ (9,714)	\$ 55,669
Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$48,000	\$ 57,714	\$ (9,714)	\$ 55,669
OTHER FINANCING SOURCES (USES):				
Transfer Out	(48,000)	<u>47,575</u>	<u>(425)</u>	<u>46,343</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ <u>-0-</u>	\$ 10,139	\$ (<u>10,139</u>)	\$ 9,326
Fund Balance, April 1, 2004		<u>81,909</u>		<u>72,583</u>
FUND BALANCE, MARCH 31, 2005		\$ <u>92,048</u>		\$ <u>81,909</u>

The accompanying notes are an integral
part of the financial statements.

ENTERPRISE FUND

Henderson Sewage Disposal System - To account for the provision and disbursement of monies related to the construction of a community disposal system to meet Michigan Department of Public Health Standards, including, but not limited to, administration, construction, operation, maintenance, financing and related debt service, and billing and collection.

RUSH TOWNSHIP
HENDERSON SEWAGE DISPOSAL SYSTEM
BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

ASSETS

	<u>2005</u>	<u>2004</u>
CURRENT ASSETS:		
Cash	\$ 98,542	\$ 92,147
Interest Receivable	3,349	2,629
Assessments Receivable -		
Current	<u>10,175</u>	<u>10,570</u>
TOTAL CURRENT ASSETS	\$112,066	\$105,346
PROPERTY AND PLANT:		
Sewer System	\$524,349	\$524,349
Accumulated Depreciation	<u>62,922</u>	<u>55,930</u>
TOTAL PROPERTY AND PLANT	\$461,427	\$468,419
OTHER ASSETS:		
Assessments Receivable -		
Long-Term	\$137,691	\$150,180
Operation and Maintenance		
Receivable	<u>561</u>	<u>576</u>
TOTAL OTHER ASSETS	<u>\$138,252</u>	<u>\$150,756</u>
	<u>\$711,745</u>	<u>\$724,521</u>

The accompanying notes are an integral
part of the financial statements.

RUSH TOWNSHIP
 HENDERSON SEWAGE DISPOSAL SYSTEM
 BALANCE SHEET (CONTINUED)
 MARCH 31, 2005 AND MARCH 31, 2004

LIABILITIES AND FUND EQUITY

	<u>2005</u>	<u>2004</u>
CURRENT LIABILITIES:		
Current Maturities on Long-Term Debt	\$ 10,000	\$ 5,000
Accrued Interest Payable	6,486	6,637
Accounts Payable	<u>167</u>	<u>464</u>
TOTAL CURRENT LIABILITIES	\$ 16,653	\$ 12,101
LONG-TERM LIABILITIES:		
Bond Payable, Less Current Maturities	<u>\$225,000</u>	<u>\$235,000</u>
TOTAL LONG-TERM LIABILITIES	\$225,000	\$235,000
FUND EQUITY:		
Contribution in Aid of Construction - Assessments	\$320,149	\$320,149
Accumulated Amortization - Assessment	(38,421)	(34,152)
Contribution in Aid of Construction - State	214,050	214,050
Accumulated Amortization - State	<u>25,686</u>	<u>(22,832)</u>
	\$470,092	\$477,215
Retained Earnings	<u>-0-</u>	<u>205</u>
TOTAL FUND EQUITY	<u>\$470,092</u>	<u>\$477,420</u>
	<u>\$711,745</u>	<u>\$724,521</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 HENDERSON SEWAGE DISPOSAL SYSTEM
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

		<u>2005</u>		<u>2004</u>
	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Sewer Revenues	\$	\$ 4,259	\$	\$ 4,160
Penalties		959		957
Interest on Sewer Debt		15,242		28,056
Investment Interest		<u>482</u>		<u>517</u>
TOTAL REVENUES	\$ <u>25,832</u>	\$ <u>20,942</u>	\$ <u>4,890</u>	\$ <u>33,690</u>
EXPENDITURES:				
Operation	\$	\$ 1,668	\$	\$ 1,416
Maint. & Misc.		3,777		4,124
Agent Fees		350		350
Interest		15,483		15,841
Depreciation		<u>6,992</u>		<u>6,991</u>
TOTAL EXPENDITURES	\$ <u>29,600</u>	\$ <u>28,270</u>	\$ <u>1,330</u>	\$ <u>28,722</u>
NET INCOME (LOSS)	\$ <u>(3,768)</u>	\$ (7,328)	\$ <u>3,560</u>	\$ 4,968
Current Year Amortization of Contribution in Aid of Construction				
Assessment		4,269		4,269
State		<u>2,854</u>		<u>2,854</u>
		\$ 7,123		\$ 7,123
Retained Earnings, April 1,		<u>205</u>		(<u>11,886</u>)
RETAINED EARNINGS, MARCH 31,		\$ <u>-0-</u>		\$ <u>205</u>

The accompanying notes are an integral
 part of the financial statements.

RUSH TOWNSHIP
 HENDERSON SEWAGE DISPOSAL SYSTEM
 STATEMENT OF CASH FLOWS
 YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss) Net of		
Amortization	\$ (7,328)	\$ 4,968
ADJUSTMENTS FROM OPERATING ACTIVITIES:		
Depreciation	\$ 6,992	\$ 6,991
(Increase) Decrease in		
Accrued Interest Receivable	(720)	233
(Increase) Decrease in Sewer		
Receivables	12,899	25,263
(Increase) Decrease in Due from		
Tax Account	-0-	177
(Decrease) Increase in Accrued		
Interest Payable	(151)	(137)
(Decrease) Increase in Accounts		
Payable	<u>(297)</u>	<u>103</u>
NET CASH FLOWS FROM OPERATING		
ACTIVITIES	\$ 11,395	\$ 37,598
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments	\$ <u>(5,000)</u>	\$ <u>(5,000)</u>
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS	\$ 6,395	\$ 32,598
Cash and Cash Equivalents,		
April 1, 2004	<u>92,147</u>	<u>59,549</u>
CASH AND CASH EQUIVALENTS,		
MARCH 31, 2005	\$ <u>98,542</u>	\$ <u>92,147</u>

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of the statement of cash flows, the township considers all highly liquid investments, such as certificates of deposits to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township fund involved therein, and to other governmental agencies.

RUSH TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

CURRENT TAX COLLECTION FUND

	<u>2005</u>	<u>2004</u>
ASSETS:		
Cash in Bank	\$ 7,203	\$25,322
	<u>\$ 7,203</u>	<u>\$25,322</u>
LIABILITIES:		
Due to Other Funds	\$ 7,203	\$13,232
Due to Other Gov't Units	<u>-0-</u>	<u>12,090</u>
	\$ 7,203	\$25,322
FUND BALANCE	<u>-0-</u>	<u>-0-</u>
	<u>\$ 7,203</u>	<u>\$25,322</u>

The accompanying notes are an integral
part of the financial statements.

RUSH TOWNSHIP
CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>	<u>2004</u>
Cash Receipts:		
2004 Roll Property Tax Collections:		
Owosso Schools \$131,848		\$124,567
Chesaning Schools 2,306		2,144
Ovid-Elsie Schools 26,567		25,645
Saginaw Intermediate Schools 790		773
Shiawassee County 537,274		486,339
Clinton Co. Resa 10,320		9,865
Shiawassee District Library 38,026		36,696
Rush Township <u>87,090</u>	\$834,221	<u>85,193</u> \$771,222
Other Receipts:		
Tax Collection		
Fees \$ 8,334		\$ 8,179
Penalties 899		464
Dog Licenses 160		120
Overpayments 1,735		486
2003 Delinquents <u>9,878</u>	<u>21,006</u>	<u>9,596</u> <u>18,845</u>
TOTAL CASH RECEIPTS	\$855,227	\$790,067
Cash Disbursements:		
Owosso Schools \$135,453		\$124,188
Chesaning Schools 2,365		2,085
Ovid-Elsie Schools 27,017		25,195
Saginaw Intermediate Schools 810		753
Shiawassee County 542,473		482,248
Clinton County Resa 10,488		9,721
Rush Township 111,915		88,990
Shiawassee District Library 41,098		38,211
Overpayments <u>1,727</u>	<u>873,346</u>	<u>477</u> <u>771,868</u>
EXCESS (DECREASE) OF CASH RECEIPTS OVER (UNDER)		
CASH DISBURSEMENTS	\$ 18,119	\$ 18,199
Cash Balances:		
Cash Balance at March 31, 2004 and March 31, 2003	<u>25,322</u>	<u>7,123</u>
CASH BALANCE AT MARCH 31, 2005 AND MARCH 31, 2004	<u>\$ 7,203</u>	<u>\$ 25,322</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in
proprietary fund operations or accounted
for in trust funds.

RUSH TOWNSHIP
SCHEDULE OF GENERAL FIXED ASSETS
MARCH 31, 2005

General Fixed Assets:	
Land and Building	\$47,892
Equipment and Improvements	<u>12,521</u>
	<u>\$60,413</u>
Investment in General Fixed Assets	<u>\$60,413</u>

The accompanying notes are an integral
part of the financial statements.

RUSH TOWNSHIP
FIXED ASSET FUND
ANALYSIS OF CHANGE IN FUND BALANCE
MARCH 31, 2005

	<u>BALANCE</u> <u>3-31-04</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-05</u>
Land & Building	\$47,892	\$ -0-	\$ -0-	\$47,892
Equipment	<u>14,880</u>	<u>420</u>	<u>2,779</u>	<u>12,521</u>
	<u>\$62,772</u>	<u>\$ 420</u>	<u>\$2,779</u>	<u>\$60,413</u>

The accompanying notes are an integral
part of the financial statements.



DEMIS and WENZLICK, P.C.

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Members of the Township Board
Township of Rush
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Rush for the year ended March 31, 2005.

As a result of our examination of the Township's financial statements, we make the following comments:

BUDGET

The State Revenue Sharing Distribution; Law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is required under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31.

Separate budgets should be adopted for the General Fund, Fire and Ambulance Fund and Sewer Fund.

We wish to thank the board for the excellent cooperation we received in performing the township audit. If we can be of any further assistance to the township, in these matters or any future matters please do not hesitate to contact us.

Demis and Wenzlick, P.C.

Certified Public Accountants

Owosso, Michigan
August 25, 2005